



MEMORANDUM

TO: Mayor and Council

CC: City Manager Marc Ott, Assistant City Manager Robert Goode

FROM: Robert Spillar, Director Austin Transportation Department (ATD)

DATE: April 24, 2009

SUBJECT: RCA related to pass through financing, April 30th Agenda

As previously described in the back-up material for the proposed RCA related to pass through financing, Texas House Bill 3588 (2003) created the Pass Through Finance Program. The purpose of the program is to accelerate development of state highway projects by stretching limited transportation funding. The program allows public and private entities to develop and fund projects ahead of TxDOT's timetable. Under the program the local entity and TxDOT sign an agreement to develop a project on the state highway system. TxDOT will reimburse the local entity after the project is substantially complete and open to traffic. Reimbursement is based upon the amount of traffic using the improvement; either on a rate per vehicle mile traveled or a rate per vehicle.

On March 6, 2009, TxDOT announced the Program Call for accepting proposals for highway projects to be developed under the Pass Through Finance Program. Depending on the pass-through proposals received and negotiated, the Transportation Commission could allocate up to \$300 million statewide.

This action requests that the City Manager direct staff to identify regionally significant transportation project(s) and to submit an application to TxDOT for funding under the Pass Through Finance Program. The deadline for submission is May 12, 2009.

ATD has identified the unfinished interchange at Loop 1 (MoPAC) and US 290/71 Ben White Blvd. in southwest Austin as a viable candidate for submission under the current program call (see photo). Although the approach structures were constructed, the fly-over connectors for the east-to-south and north-to-east movements were not completed at the time of initial construction, likely due to a shortage of funding. Traffic now making these movements must traverse several signalized intersections, leading to significant congestion. The resulting congestion leads to



increased air pollution and reduced efficiency throughout the local transportation network.

Completion of this interchange would also provide significant transit opportunities. Capital Metro has been unable to extend park-and-ride commuter transit into the south MoPAC corridor because of the bottleneck created by lack of connectivity through this interchange. Capital Metro is supportive of completing this interchange and is anxious to study opportunities for improved commuter transit through these new connections.

Lastly, the Loop1 at US 290/71 interchange presents a unique opportunity for the City in that the engineering design, right-of-way acquisition, and environmental process have already been completed. This makes the project very cost effective for implementation under the pass-through financing program, especially when compared to benefits of removing this regional bottleneck. Council would have the opportunity to approve the revenue bonding or similar financing mechanism for this project prior to approval of an agreement with TxDOT, assuming the project is selected for implementation by the State as part of the pass-through financing program.

Projects which may be considered and forwarded to Council for consideration under future pass-through financing program calls include improvements to the 51st Street Interchange at IH 35 as well as improvements to at-grade intersections along US 183 and Loop 360. These projects are not yet ready for consideration however, and only the Loop 1 at US 290/71 interchange is being proposed at this time. The Austin Transportation Department is continuing to evaluate gaps within our network for possible candidates for this and similar funding opportunities and will continue to come to Council for direction to pursue such opportunities.